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TO RUEHC/SECSTATE WASHDC PRIORITY 8263
INFO RUEKJCS/SECDEF WASHDC PRIORITY
RHEHAAA/THE WHITE HOUSE WASHINGTON DC PRIORITY
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RUCNDT/USMISSION USUN NEW YORK 6259

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E.O. 12958: N/A

TAGS: [OIIP](#) [KMDR](#) [KPAO](#) [PGOV](#) [PINR](#) [ECON](#) [ELAB](#) [JA](#)

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ARTICLES:

(1) US deputy director of operations: "We'll make efforts to disclose information about vessels that have received MSDF's refueling services" (Yomiuri)

YOMIURI ONLINE NEWS (Full)
October 4, 2007, 11:08 a.m.

Aya Igarashi, Washington

Robert Holmes, deputy director of operations for US Central Command, was asked yesterday about the possibility that Japan's Maritime Self-Defense Force (MSDF) might have indirectly refueled a US carrier that was engaged in the Iraq campaign and made this comment: "I am well aware that that matter has been a topic for debate in Japan. We on the part of US military officials will work together with Japan so as to provide reliable information to Japan." Holmes emphasized his intention to make efforts to disclose information about activities of the vessels that have received refueling services.

When asked whether there have been cases of vessels being refueled indirectly, Holmes said: "I do not say information showing such cases does not exist but I am saying I don't know." In response to a question asking whether there was any specific order prohibiting fuel provided by the MSDF from being converted for the Iraq war, Holmes said only this: "I don't know."

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(2) High-level official of US Central Command on MSDF refueling: "We were not given instructions that it was to be used only for OEF" (Mainichi)

MAINICHI ONLINE NEWS (Full)
October 4, 2007, 11:08 a.m.

Hiroaki Wada, Washington

Robert Holmes, deputy director of operations for US Central Command, yesterday met with the press in Washington, and when asked whether an order has been issued that US vessels that receive refueling services from Japan's Maritime Self-Defense's (MSDF) vessels in the Indian Ocean should be limited to those vessels that would participate in Operation Enduring Freedom (OEF), Holmes said, "I am not aware of such an order." The MSDF has provided oil mostly to US vessels, but criticism has been made that the oil provided might have been diverted to the Iraq war.

In reference to the question of diversion, Holmes said: "I know it has become a topic for debate in Japan. I am also aware of the importance of the issue." Noting that information about fuel provided by the MSDF "should be made open to the public and should not be made an issue (between Japan and the US)," Holmes indicated his intention to transmit relevant information in detail to the Japanese side.

On Japan's refueling operations, Holmes commented, "They are very important, and nations (participating in OEF) have appreciated them." While saying, "As a serviceman, I should refrain from making any comment on a political debate in each country as to what should be provided in (the war on terrorism)," Holmes expressed a strong hope that Japan will continue its mission.

The US Central Command is responsible for military operations going on in Iraq, Afghanistan, and their nearby areas.

(3) Government again seeks justification for refueling operations (Asahi)

The war on terrorism, now underway in and around Afghanistan by the US-led coalition of the willing, was launched by the United States in "self-defense" following 9/11. At that point, Japan did not have any legislation to provide rear-area support for such a war. Japan established in 2001 the Antiterrorism Special Measures Law, a time-limited law, based on a UN Security Council resolution. The UN resolution, however, does not directly refer to the operations in which Japan is taking part. The government is studying new legislation despite the fact that the Democratic Party of Japan (Minshuto or DPJ) and other parties are skeptical about the validity of the Maritime Self-Defense Force's refueling operations in the Indian Ocean. Legal grounds for the refueling mission are likely to remain as the main point of contention regarding the new legislation, as well.

UN forced to express appreciation

The government is allowed to dispatch SDF troops overseas under the

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UN Peacekeeping Operations (PKO) Cooperation Law. But the Operation Enduring Freedom - Maritime Interdiction Operations (OEF-MIO) in the Indian Ocean, in which the MSDF is taking part, are not peacekeeping operations. The OEF is America's war on the Al Qaeda and other terrorist groups that are responsible for 9/11. The government needs different legal justification for dispatching the SDF to provide logistical support.

The government enacted the Antiterrorism Law in 2001 based on UN Security Council Resolution 1368. The resolution, condemning 9/11 as a threat to international peace and security, expresses the Security Council's readiness to take all necessary steps to respond to the attack. Based on this resolution, the government played up the need to dispatch SDF troops, saying that the UN members were required to take appropriate antiterrorism measures.

The government used the UN resolution as a desperate step to give validity to the OEF, which is not a UN operation. However, as it was adopted before the start of the OEF, the resolution does not specifically refer or give a seal of approval to the OEF.

Aiming to extend the refueling operations, the government and ruling parties lobbied the United States and other countries, and as a result, the UN Security Council adopted this past September Resolution 1776 that refers to the OEF.

In his meeting with US Secretary of State Condoleezza Rice in Washington on Sept. 27, Foreign Minister Masahiko Komura expressed gratitude for US cooperation for the adoption of Resolution 1776 that expresses appreciation for the OEF maritime interdiction operations.

Appreciation is mentioned in the preface to the resolution, not in the body, however. A UN source took this view: "Usually, words of gratitude in a resolution are not taken to mean UN authorization."

Shortly after abstaining from the vote on Resolution 1776, the Russian Foreign Ministry released a statement ascribing its abstention to a lack of explanation on the grounds for the MIO by the United States and other countries, making it clear that the MIO is outside the UN framework.

The government yesterday presented an outline of new legislation to the ruling parties for the continuation of the refueling operations. The government plans to add Resolution 1776 expressing appreciation for the OEF to the legal grounds for the MSDF mission that already include Resolution 1368.

DPJ: Resolution 1776 is not UN authorization

Ozawa in a press conference yesterday argued that Resolution 1776 cannot justify the refueling operations, saying: "The resolution is not about (authorizing the maritime interdiction operations) as UN

operations. It simply includes words of gratitude (for the operations)." This comment comes from his view that although the resolution expresses appreciation for the OEF, the maritime interdiction operations still fall outside the UN framework.

In a press conference in August, Ozawa also said: "The war in Afghanistan is America's war that was started by President Bush. It is different in nature from the operations authorized by a UN Security Council resolution." His logic is that the MSDF's

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logistical support to the war on terrorism, which was launched by the United States in self-defense, clearly constitutes an exercise of the right to collective self-defense, which is prohibited under the Constitution. In yesterday's news conference, Ozawa reiterates his opposition, describing the refueling operations as assistance to the US military operations.

Ozawa also thinks Japan is legally allowed to join the International Security Assistance Force (ISAF), a NATO-led international security ground force established based on Resolution 1386.

ISAF, however, is not engaged in UN peacekeeping operations but involves military actions against the Taliban and other antigovernment forces. Ozawa told visiting German Chancellor Merkel in late August that he did not necessarily agree with the ISAF's activities.

The DPJ is determined to focus on uncovering facts about the refueling operations by exercising investigative powers in national politics, while endeavoring to come up with counterproposals mainly for improving the people's livelihood in contrast to the government's new legislation.

(4) Interview with Foreign Minister Masahiko Komura: Ruling camp will discuss issue of continuing refueling mission in fair and square manner (Tokyo Shimbun)

TOKYO SHIMBUN (Page 2) (Full)
October 3, 2007

-- The government has nearly finalized an outline for new legislation to extend the Maritime Self-Defense's (MSDF) refueling mission in the Indian Ocean. What approach is the ruling camp going to take in talks with the Democratic Party of Japan (DPJ)?

There will be no other way but to explain that the continuation of the mission has been requested by the international community and is also in Japan's national interests. It is impossible to change the other side's views by hypnotizing it. We will discuss the issue in a sincere and fair manner.

-- Do you think it will be unavoidable to take another vote on an antiterror bill in the House of Representatives if the DPJ refuses to offer cooperation?

We acknowledge that there could be the possibility constitutionally as a last resort, but that is not the best solution. We will continue to make desperate efforts to have the people and the opposition camp understand and have the bill passed in the Diet in a peaceful way, though it might be difficult objectively.

-- Regarding the period of the MSDF operation, which do you think is desirable, one year or two years?

For stable (activities), the period of two years is more desirable than one year.

-- How do you evaluate the draft agreement reached at the latest six-party talks on North Korea's denuclearization?

That is the first step in the "second phase." Although I do not think the agreement is satisfactory, one-step forward would be

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better than nothing.

-- The government intends to extend its economic sanctions against North Korea. What do you think about a balance between dialogue and pressure?

Regardless of who is in power, the key point is how North Korea will change its posture. Since the problem over which Japan decided to apply sanctions on North Korea has yet to be dissolved, it is necessary for Japan to extend its sanctions. If North Korea changes itself in a favorable way, Japan may lift the sanctions.

-- Prime Minister Yasuo Fukuda is scheduled to visit China. Will a settlement of the issue of gas field development in the East China Sea be the premise for the visit?

If a complicated, difficult issue is resolved, the people will be convinced that Japan and China are in strategic mutually-beneficial relations. If the issue is left unresolved, it might be difficult to establish such relations in a comprehensive way. Resolving this issue is extremely important. Even so, it does not mean that unless this issue is resolved, the prime minister will not go to China.

-- A Japanese journalist was shot to death in Burma. Following this news, what response does the government plan to make to the military junta?

We must be upset at such an incident, but anger alone is not enough. We will consider what is needed in order to spread democratization in that nation.

(5) Interview with Defense Minister Ishiba: Suspension of MSDF refueling will cause trouble to other countries (Tokyo Shimbun)

TOKYO SHIMBUN (Page 2) (Full)
October 4, 2007

-- What effect a suspension of the Maritime Self-Defense Force's (MSDF) refueling operations in the Indian Ocean will have?

Ishiba: It is extremely significant that Japan is provided with high-performance supply ships while various countries have been managing with only a few vessels. Should Japan suspend the MSDF refueling operation, it will greatly affect other countries. We should be aware of this.

-- New legislation enabling the MSDF to continue its refueling mission does not require Diet approval. Don't you think that such would lead to retreat from civilian control?

Ishiba: The present Antiterrorism Special Measures Law specifies such measures as refueling, transportation, and search-rescue operations; and the law stipulates that the cabinet will decide which measures should be provided; and Diet approval is necessary when activities start. The new legislation specifies what measures the MSDF will offer. Most measures in the basic plan will be included in a new antiterrorism law. With the enactment of new legislation, Diet involvement will be guaranteed.

-- The Democratic Party of Japan has opposed Japan's refueling mission itself.

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Ishiba: I have never heard the DPJ's clear reason for its opposition to the refueling operation.

-- How will you find common ground with the DPJ?

Ishiba: If the maritime refueling operation violates the Constitution as the DPJ asserts, we will need to debate whether the Constitution should be amended. If something should be done to continue the refueling mission, it would be possible to make a (new) law. I hope that the DPJ will think deeply about why Japan decided to send the MSDF to the Indian Ocean.

-- Can you shed light on the alleged diversion of fuel provided by the MSDF for use in the Iraq war?

Ishiba: As the defense minister, I ordered an investigation of the 777 refueling operations. My ministry is now analyzing in particular the fuel provided to a supply ship (in question). I want to fulfill my accountability for this before the start of Diet deliberations (on the new legislation).

-- How will you negotiate with Okinawa on the government's Futenma Air Station relocation plan?

Ishiba: The present government's plan to build two runways in a V-shape is the best, but the basic policy will not be pushed forward without local understanding. (In order to obtain understanding and cooperation from local residents) I think I should visit Okinawa as early as possible.

(6) Editorial: Prime minister's Diet reply on refueling mission disappointing (Asahi)

ASAHI (Page 3) (Full)
October 4, 2007

Debate finally kicked off in the Diet about 20 days after former Prime Minister Abe's sudden announcement of his resignation. The air in the representative interpellation session held in the House of Representatives on the first day was unusually full of tension, reflecting the current state of the reversal of strengths between the ruling and opposition camps in the House of Councillors. Both the ruling and opposition parties are expected to conduct heated discussion.

In the interpellation session, Prime Minister Fukuda has already disappointed us with his reply on the issue of extending the Maritime Self-Defense Force's (MSDF) refueling mission in the Indian Ocean.

Democratic Party of Japan (DPJ) Secretary General Yukio Hatoyama demanded that the government should disclose information on the actual state of the refueling operation. In response, the prime minister gave this curt reply: "The Defense Ministry is making efforts to enable disclosing information as much as possible, while obtaining the understanding from countries concerned."

To be sure, the refueling operation is connected with other countries' military operations. There might be tips which Japan cannot disclose based on its judgment alone. Even so, it is hard to see that the Defense Ministry is eager to disclose information.

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The prime minister promised in his policy speech to discuss key tasks with the opposition camp in a sincere manner. But sincerity cannot be detected from his Diet replies.

The allegation has come up that fuel supplied to United States' warships by the MSDF was used in the Iraq war, deviating from the purpose of the Antiterrorism Special Measures Law. A Japanese civic group has obtained data of the US Navy based on the US information-disclosure system. This data increases the suspicion.

After checking, the government changed the amount of fuel provided to US supply vessels in the Indian Ocean in February 2003 from the initially announced 200,000 gallons to 800,000 gallons.

The fuel provided by the MSDF was supplied to USS Kitty Hawk. The aircraft carrier is now heading toward Iraq to engage in a monitoring operation. The government used to explain that the diversion of the oil for use in Iraq was inconceivable because 200,000 gallons is equivalent to one day's consumption by a refueled carrier. The grounds for this reply have now collapsed.

Asked about the correction, the prime minister replied: "It was a clerical error." Then how can he explain about the possibility of

diversion? If proved true, this is a far more serious error than the clerical error.

The government inserted the following view into its written reply:
The governments dispatching the warships refueled by the MSDF determine what operations the ships should carry out after refueled, so the Japanese government has no future details. Such would seem to be a defiant attitude.

The government enacted the Iraq Special Measures Law, which strictly restricts the duties and areas of activities of SDF troops, but only after severe debate was conducted in the Diet. The law does not authorize any refueling operations at sea. If the diversion of fuel for use in Iraq is proved true, the refueling operation will constitute a serious offense.

The amount of MSDF-provided fuel increased when the Iraq war broke out. Moreover, more than 60 PERCENT of the MSDF-refueled US naval ships were replenishment tankers.

When SDF troops are dispatched overseas, the government naturally should restrict their activities under law, and the Diet naturally should be informed of the actual state of their activities. That is indisputably the way postwar democracy should be.

The prime minister must properly provide answers to the allegation on the refueling operation. The government is preparing new legislation that would restrict the MSDF's activities to refueling, but the first thing it should do is to reveal the true state of the ongoing MSDF activities.

(7) Tug-of-war between LDP, DPJ ahead of questioning sessions by party representative (Tokyo Shimbun)

TOKYO SHIMBUN (Page 2) (Full)
October 3, 2007

Prior to the start of questioning session by party representatives today at the Lower House, a tug-of-war moved into full swing between

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the ruling Liberal Democratic Party (LDP) and the main opposition Democratic Party of Japan (DPJ or Minshuto). Although the LDP has asked the DPJ to hold prior consultations, the largest opposition party has submitted to the Diet its own bills in succession without regard to the LDP's request.

The LDP's management of Diet affairs has now completely changed from the hard-line stance it took in the regular session before the July Upper House election. The party has proposed to the DPJ the setting up of a consultative organ before bills are presented to the Diet. The LDP's aim is to find the middle ground through prior consultations, as well as to proceed with Diet deliberations smoothly.

Although the LDP has yet to get favorable answers from the DPJ, it continues to take a low profile. At yesterday's press conference, LDP Diet Affairs Committee Chief Deputy Chairman Kenji Kosaka pointed out that the "practice" under which the LDP used to explain to the opposition camp the contents of a bill it had sponsored still exists.

The LDP also has proposed establishing a consultative body made of representatives of the two parties before submitting bills on appointments, which require approval of the two Diet chambers. This is because since there is no provision that the Lower House can take a vote twice on a bill on appointments of committee posts, if the DPJ votes against the bill, it would hit a roadblock. A senior LDP Diet Affairs Committee member stressed: "The DPJ, the largest party in the Upper House, should bear some responsibilities."

The DPJ remains completely indifferent to the LDP's request of setting up a consultative organ, with one senior Diet Committee member saying, "We will not be engaged in such collusion." The party intends to reject the LDP's requests. The chairmen of four opposition parties reached agreement in a meeting yesterday that

their parties will line up in favor of refusing the LDP's entreaties.

The DPJ continues to submit its own bills to the Upper House, where the opposition camp holds a majority. The party submitted yesterday a bill to give aid to hepatitis patients. The DPJ's strategy is to adopt first at the Upper House bills that would be easily accepted by the public, and send them to the Lower House, in order to undermine the ruling coalition's situation.

The DPJ has submitted five bills so far to the Upper House. The outlook is that the party will ultimately submit 11 bills.

The main opposition party initially planned to submit several bills to the current session because its Upper House members had little experience in Diet debate. However, when Ozawa instructed that presenting their own bills is important, the party has shifted its initial plan. The party has decided to submit bills related to pension issue, child-rearing, and agriculture, which were included in its manifesto for the July Upper House election.

The party has calculated that it will be able to gain popularity if it submits bills soon after the Upper House election. The DPJ's move is in response to a sense of alarm against the LDP's request for prior consultations.

DPJ Secretary General Yukio Hatoyama commented on the LDP's request

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for prior consultations with his party: "If discussions go well, the LDP will get the credit; and if unsuccessful, the opposition will have to bear responsibility." The party thinks that holding prior consultations will give the public the impression of opaque deal-making. Therefore, the party intends to debate the LDP in the Diet, refusing prior consultations.

(8) Editorial: Can DPJ show capability to run government? (Nikkei)

NIKKEI (Page 2 (Full))
October 4, 2007

With the start of an interpellation session following Prime Minister Yasuo Fukuda's policy speech, debates between the ruling and opposition camps have moved into full swing in the Diet, where the opposition is dominant in the Upper House. Yukio Hatoyama, Secretary General of the Democratic Party of Japan (DPJ or Minshuto), made his confrontational stance clear in pursuit of an early dissolution of the Lower House and a snap election. Prime Minister Fukuda, who took the podium for the first time as prime minister, warded off Hatoyama's demand for a Diet dissolution in a matter-of-fact tone and repeatedly called on the DPJ to respond to his call for talks with the ruling camp in order to protect people's lives and national interest.

The DPJ is no longer just an opposition party. It won a landslide victory in the July Upper House election. It has the power to reject all bills submitted by the government and the ruling camp in the Upper House. If it becomes a top party in the next election, it could take the reins of government. It should not forget that its capability to run the government is being tested in the current Diet session.

President Ozawa should have taken the podium in the session, the first stage for full-scale Diet debates since the Upper House election, and directly appealed why a change of administration is needed, explaining the DPJ's policy and its Diet approach fairly and squarely. It was anticlimactic that he avoided asking questions.

Regarding the Fukuda cabinet's policy of cooperating with the opposition, Hatoyama noted, "The DPJ cannot accept collusive, behind-doors talks with the ruling camp." He also reiterated the stance of continuing to oppose a continuation of refueling operations by the Maritime Self-Defense Force in the Indian Ocean, the focus of highest attention in the current Diet session. As reasons for that, Hatoyama cited (1) that the refueling operation is not based on a UN resolution; and (2) that there is no clear exit

strategy due to the deteriorated situation in Afghanistan.

Ozawa during a press conference on Oct. 2 indicated a hard-line stance, saying, "Since our position is that the continuation of the refueling services is not allowed under the Constitution, there is no room for talks," Whether the DPJ's assertion is persuasive or not is questionable. We must not lose a viewpoint regarding whether an option to end the refueling operation would be in the interest of Japan, though it is necessary to deepen Diet discussion of the reality of the refueling operations.

The DPJ has submitted many bills, including a bill prohibiting the diversion of pension premium funds, a bill amending the Natural Disaster Victims' Relief Law, a bill amending the Law Assisting Disabled Persons' Independence, to the current Diet session, saying

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that it will realize policies it pledged to the public during the Upper House election campaign. These bills might be adopted in the Upper House, but they cannot be passed into law if the LDP does not support them. If the DPJ seriously wants to secure Diet approval for those bills, talks with the ruling parties would become unavoidable sooner or later.

The DPJ has pledged that it would uncompromisingly pursue wasteful spending of tax money in the Diet and explain funding resources to realize the pledges it made to the public. It is also necessary to closely examine whether it is possible to really materialize a basic pension system, based on a system fully funded with tax money without hiking the consumption tax.

(9) Editorial: Can North Korea keep its promises as mentioned in the six-party agreement? (Tokyo Shimbun)

TOKYO SHIMBUN (Page 5) (Full)
October 4, 2007

A roadmap has been set for North Korea's nuclear denuclearization. Neighboring countries must closely watch if the North will keep its promises. The delisting of the North as a state sponsor of terrorism by the United States is a key element.

A six-party agreement featuring the roadmap to advance the second phase has officially been unveiled. This follows the first phase, in which North Korea shut down its key nuclear facilities.

Although it clearly specifies Dec. 31 as the deadline for disabling major nuclear facilities and declaring all nuclear programs, the agreement contains some loopholes and many ambiguous points as well.

Under the agreement, the North is required to disable three facilities at Yongbyon: a 5 megawatt graphite-moderated nuclear reactor, a nuclear fuel fabrication plant, and a spent-fuel reprocessing facility. If the period of disablement were set for a year or so, the North might reactivate those facilities once that period was over. The facilities must be abandoned once and for all. There are other facilities that look suspicious as well.

That is why a full declaration of all nuclear programs is so vital. A complete declaration would clarify the total amount of plutonium and the number of nuclear bombs possessed by North Korea. A threat from North Korea comes from them.

The North also reaffirmed its commitment not to transfer nuclear materials, technology, or know-how. This, too, requires monitoring. An alleged program to produce highly enriched uranium also requires appropriate measures, such as an inspection, so as not to leave any suspicions.

The joint statement issued in September 2005 says: "The DPRK committed to abandoning all nuclear weapons and existing nuclear programs."

If the six-party framework were to back away from it, its ultimate goal of denuclearizing the Korean Peninsula would turn into pie in

the sky.

To prevent that from happening, the United States must not delist

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North Korea as a state sponsor of terrorism. Pyongyang is fixated on this matter because it is directly connected with sanctions against North Korea.

The agreement also says: "The United States will begin the process of removing the designation of the DPRK as a state sponsor of terrorism in parallel with the DPRK's actions."

This leaves some room for controversy over its interpretation. The delisting must be based on nuclear abandonment and the elimination of suspicions about sponsoring terrorism, such as repatriating Japanese abductees.

The United States and North Korea have been taking the lead lately in the six-party talks. Repeated compromises by the Bush administration driven by a desire to produce results by the end of the year would lead to serious problems in the future. The United States bears extremely heavy responsibilities.

About Japan-North Korea relations, the agreement reads: "The DPRK and Japan will make sincere efforts to normalize their relations expeditiously in accordance with the Pyongyang Declaration, on the basis of the settlement of the outstanding issues of concern." We urge North Korea to take steps to quickly settle the abduction issue, one of the "outstanding issues of concern."

(10) Editorial: Consideration must be given to ordinary shareholders in triangular mergers (Nikkei)

NIKKEI (Page 2) (Full)
October 4, 2007

Following the removal of a ban on triangular mergers in May, the first triangular merger in effect will take place shortly. The Citigroup of the US announced that it will wholly own the Nikko Cordial Group, which is now under its umbrella, through a stock swap using its own stocks. The ban on the triangular merger method was removed with the aim of boosting foreign investment in Japan. The case this time deserves high marks in terms of certain consideration having been given to protecting ordinary stockholders.

The triangular merger means a merger method in which foreign companies acquire Japanese companies through their subsidiaries in Japan. A major feature of the method is that an acquiring company transfers its foreign stocks, instead of cash, to the shareholders of a company to be.

There are two points worthy of attention in the merger between Citigroup and Nikko Cordial. First, Citigroup has applied for its listing on the Tokyo Stock Exchange (TSE) and its application will likely be granted before year's end. As a result, Nikko Cordial will be delisted, but its stockholders will be able to trade Citigroup's stocks obtained through a stock swap on the TSE.

Second, Citigroup will transfer, in principle, its stocks equivalent of 1,700 yen to each Nikko share. Citigroup started a takeover bid (TOB) paying 1,700 yen per stock this spring. It has apparently adopted the same condition its set at that time so that Nikko shareholders would not feel a sense of unfairness.

It is meaningful that the largest foreign securities house in nominal and real terms operating in Japan will come into existence.

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If the merger this time spurs a move for domestic companies to strengthen their global strategies, it would boost opportunities for investors to internationally disperse the destinations of their investments and for companies to procure funds abroad or implement M&As.

We want to give consideration here to pending issues posed by triangular mergers. In order to make foreign companies find it easy to list themselves on the Japanese stock market, it is necessary to lower various costs involved, including screening of foreign companies. The TSE at the end of last year introduced a simplified screening system to be applied to companies that are listed on the New York Stock Exchange and other major stock exchanges. However, this system has not yet been applied. We want the TSE to come up with ideas for reducing foreign companies' burdens.

From the viewpoint of protecting investors, it is necessary for Japanese companies to explain procedures arising from triangular mergers in lucid language. Stockholders who are against a merger proposal have a right to have their stocks purchased by an acquiring company. It is essential to spread information like this to investors.

DONOVAN